

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 8/6/2013	(3) CONTACT/PHONE Emily Jackson, Administrative Analyst 781-5011	
(4) SUBJECT Submittal of resolutions to amend the Position Allocation Lists for FC 107- Auditor-Controller and FC 108- Treasurer-Tax Collector-Public Administrator and set the salary range for the new position of Auditor-Controller-Treasurer-Tax Collector-Public Administrator as a result of the consolidation of the offices.			
(5) RECOMMENDED ACTION It is recommended that the Board of Supervisors approve: 1. A resolution to amend the Position Allocation List for FC 107- Auditor-Controller to delete 1.0 FTE Auditor-Controller and 1.0 FTE Auditor-Analyst, and add 1.0 FTE Auditor-Controller-Treasurer-Tax Collector-Public Administrator and 1.0 FTE Principal Auditor-Analyst, and set the salary range for the new position of Auditor-Controller-Treasurer-Tax Collector-Public Administrator. 2. A resolution to amend the Position Allocation List for FC 108- Treasurer-Tax Collector-Public Administrator to delete 1.0 FTE Treasurer-Tax Collector-Public Administrator, 1.0 FTE Assistant Treasurer-Tax Collector-Public Administrator and 1.0 FTE Account Clerk, and add 1.0 FTE Division Manager Auditor-Controller.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT Savings of approximately \$280,761	(8) ANNUAL FINANCIAL IMPACT Savings of approximately \$280,761	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____ ) <input type="checkbox"/> Board Business (Time Est. ____ )			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: <u>5/14/13, 6/18/13, 7/9/13</u>	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) All Districts -			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Emily Jackson, Administrative Analyst

DATE: 8/6/2013

SUBJECT: Submittal of resolutions to amend the Position Allocation Lists for FC 107- Auditor-Controller and FC 108- Treasurer-Tax Collector-Public Administrator and set the salary range for the new position of Auditor-Controller-Treasurer-Tax Collector-Public Administrator as a result of the consolidation of the offices.

## **RECOMMENDATION**

It is recommended that the Board of Supervisors approve:

1. A resolution to amend the Position Allocation List for FC 107- Auditor-Controller to delete 1.0 FTE Auditor-Controller and 1.0 FTE Auditor-Analyst, and add 1.0 FTE Auditor-Controller-Treasurer-Tax Collector-Public Administrator and 1.0 FTE Principal Auditor-Analyst, and set the salary range for the new position of Auditor-Controller-Treasurer-Tax Collector-Public Administrator.
2. A resolution to amend the Position Allocation List for FC 108- Treasurer-Tax Collector-Public Administrator to delete 1.0 FTE Treasurer-Tax Collector-Public Administrator, 1.0 FTE Assistant Treasurer-Tax Collector-Public Administrator and 1.0 FTE Account Clerk, and add 1.0 FTE Division Manager Auditor-Controller.

## **DISCUSSION**

In October 2012, the elected Treasurer-Tax Collector-Public Administrator retired after 35 years in office. On May 14, 2013, staff brought a discussion item to the Board to seek policy direction on a possible consolidation of the Auditor-Controller and Treasurer-Tax Collector-Public Administrator's offices. The Board voted to proceed with a consolidation of the offices, and on July 9, 2013 the Board conducted a hearing to adopt ordinances to consolidate the offices, per Government Code §24300.5. Government Code §25123 provides that the ordinances to consolidate cannot be effective for at least 30 days after the date of final passage.

This item makes the necessary amendments to the Position Allocation Lists (PALs), as a result the consolidation of the offices, effective August 8, 2013. The May 14, 2013 Board item identified several anticipated staffing changes as a result of consolidation. Since that time, staff has made revisions to initial estimates, based on further review of job duties and anticipated staffing needs of the new department, and the recent retirement of the Assistant Treasurer-Tax Collector-Public Administrator.

At this time, staff is not recommending that the fund centers and PALs for the two departments be combined, due to anticipated difficulty of doing so within the County's existing budget system. Maintaining separate fund centers within a single department is not expected to impact the successful integration of the two departments. Other County departments function well with a division of fund centers (for example, Human Resources and Risk Management). Recommended staffing changes to each department are outlined in the table below:

Summary of Change	Position Status	Change to FTE Allocation
<b>Fund Center 107- Auditor-Controller</b>		
Delete 1.0 FTE Auditor-Controller	Filled	-1.0 FTE
Add 1.0 FTE Auditor-Controller-Treasurer Tax Collector-Public Administrator	New allocation	+1.0 FTE

Delete 1.0 FTE Auditor-Analyst III	Filled	-1.0 FTE
Add 1.0 FTE Principal Auditor-Analyst	New allocation	+1.0 FTE
<b>NET CHANGE</b>		<b>0.0 FTE</b>
<b>Fund Center 108- Treasurer-Tax Collector-Public Administrator</b>		
Delete 1.0 FTE Treasurer-Tax Collector-Public Administrator	Vacant	-1.0 FTE
Delete 1.0 FTE Assistant Treasurer-Tax Collector-Public Administrator	Vacant	-1.0 FTE
Add 1.0 FTE Division Manager Auditor-Controller	New allocation	+1.0 FTE
Delete 1.0 FTE Account Clerk	Vacant	-1.0 FTE
<b>NET CHANGE</b>		<b>-2.0 FTE</b>

The rationale for the recommended changes is as follows:

Elimination of Treasurer-Tax Collector-Public Administrator and Auditor-Controller, and addition of Auditor-Controller-Treasurer-Tax Collector-Public Administrator

On July 9, 2013, the Board adopted the necessary ordinances to enable the consolidation of the two offices and the consolidation of the minimum qualifications and continuing education requirements for the two elected positions into a single elected position titled Auditor-Controller-Treasurer-Tax Collector-Public Administrator. The elimination of the vacant Treasurer-Tax Collector-Public Administrator and replacement of the Auditor-Controller position with the Auditor-Controller-Treasurer-Tax Collector-Public Administrator position provides for consistency between the PAL and adopted amendments to the County Code.

Elimination of Assistant Treasurer-Tax Collector-Public Administrator

With the consolidation of the two offices, the responsibilities of the two assistant department head positions will be transferred to the remaining assistant department head. This recommended PAL change reflects this transfer of responsibility and is consistent with the proposed organizational structure of the consolidated department. The May 14, 2013 Board item indicated that the Assistant Treasurer-Tax Collector-Public Administrator position would be eliminated within a year of consolidation, upon retirement of the incumbent. Because the incumbent retired sooner than initially anticipated, this PAL change is recommended to occur immediately upon consolidation.

Addition of Division Manager Auditor-Controller

Consistent with the organization of other County departments, staff recommends that the organizational structure of the consolidated office include a department head, assistant department head, and three division managers who will oversee, different separate functions. Using division managers is important in assuring that certain departmental functions remain separate enough to assure the integrity of various processes in order to maintain existing checks and balances. The recommended new division manager position will provide oversight for many of the functions in the existing Treasurer-Tax Collector-Public Administrator office. The recommended new position is titled Division Manager Auditor-Controller, which is consistent with the titles of the other division managers currently in the Auditor-Controller's Office.

Reclassification of Auditor-Analyst III to Principal Auditor-Analyst

As outlined in the May 14, 2013 Board letter, the recommended reclassification of an Auditor-Analyst III to Principal Auditor-Analyst will support the proposed organizational structure of the consolidated department. This position will oversee the allocation of property taxes to all taxing entities. A Principal Auditor-Analyst position is more appropriate for this level of responsibility as it requires an in-depth knowledge of the legislative requirements related to the allocation of property taxes. Assigning this workload to a higher level position also helps to maintain a division of functions to ensure appropriate checks and balances.

Elimination of Account Clerk

Finally, staff is recommending that an Account Clerk currently in the Treasurer-Tax Collector-Public Administrator's office be eliminated. This position has been vacant for quite some time, and staff has identified minimal service level impact associated with eliminating the position in the current department. It is expected that any minimal impact associated with the elimination of this position will be easily absorbed with additional staff capacity which will result from the consolidation of the offices.

As noted in the May 14, 2013 item, it is anticipated that additional staffing recommendations will be feasible as opportunities to consolidate departmental operations are identified. It is not recommended that staff be laid off as a result of the consolidation, but that opportunities to reduce staffing levels be identified through natural attrition. As opportunities to further reduce staffing levels are identified and determined to be feasible, those changes will be recommended to the Board.

In the coming year, departmental staff plans to work with Human Resources to revise job specifications to reflect the consolidation of the offices. This includes looking at opportunities to combine similar job specifications in the separate departments into a single specification, and broadening some job specifications to include responsibility for functions in the separate departments. As revised job specifications are approved by the Civil Service Commission, associated PAL changes will be recommended to the Board.

#### **OTHER AGENCY INVOLVEMENT/IMPACT**

The Administrative Office worked with the Auditor-Controller, former Assistant Treasurer-Tax Collector-Public Administrator, staff in both departments, and staff from the Human Resources Department to identify the most appropriate organizational structure for the consolidated department.

Human Resources staff has conducted an organizational analysis to ensure that the proposed consolidated organizational structure is consistent with how other County departments are structured. Human Resources staff has also prepared the necessary resolutions to make proposed amendments to the PALs for the two fund centers.

#### **FINANCIAL CONSIDERATIONS**

The May 14, 2013 Board item identified an expected savings of \$174,208 in the first year of consolidation and an estimated annual savings of \$332,104 in the third year of consolidation and beyond. The July 9, 2013 Board item to seek approval of necessary ordinances to enable consolidation identified increased savings due to staff no longer recommending compensation increases for departmental leadership.

As noted previously, the currently recommended staffing changes have been revised based on a further review of job duties, anticipated staffing needs of the new department and the sooner than anticipated retirement of the Assistant Treasurer-Tax Collector-Public Administrator. The PAL changes recommended in this item result in an annual salary and benefit savings of \$280,761 in the first year of consolidation, outlined as follows:

<b>Summary of Change</b>	<b>Salary &amp; Benefit Change</b>
Reclassification of Auditor-Controller to Auditor-Controller-Treasurer-Tax Collector-Public Administrator	\$ 0
Reclassification of Auditor-Analyst III to Principal Auditor-Analyst	\$ 12,552
Delete 1.0 FTE Treasurer-Tax Collector-Public Administrator	\$ (247,886)
Delete 1.0 FTE Asst. Treasurer-Tax Collector-Public Administrator	\$ (160,308)
Add 1.0 FTE Division Manager Auditor-Controller	\$ 169,192
Delete 1.0 FTE Account Clerk	\$ (54,311)
<b>NET SAVINGS</b>	<b>\$ (280,761)</b>

These salary savings will be partially offset by additional expense associated with the use of an outside auditor to perform audits of the Treasury and compliance with the Treasurer's Investment Policy. At present, the cost of hiring an outside auditor is estimated at \$16,500, including travel expenses. In addition, it is also likely that the consolidated department will incur some additional one-time costs related to office reconfiguration to integrate tasks and divisions within the new department, and the use of an organizational change management consultant to assist with the consolidation.

This item also sets the salary range for the new position of Auditor-Controller-Treasurer-Tax Collector-Public Administrator, which is unchanged from the existing salary for the position of Auditor-Controller.

## **RESULTS**

Approval of this item will amend the PALs of the offices of Auditor-Controller and Treasurer-Tax Collector-Public Administrator, and will set the salary range for the new position of Auditor-Controller-Treasurer-Tax Collector-Public Administrator effective August 8, 2013, consistent with the consolidation of the offices approved by the Board on July 9, 2013.

## **ATTACHMENTS**

1. Resolution to amend FC 107- Auditor-Controller PAL
2. Resolution to amend FC 108- Treasurer-Tax Collector-Public Administrator PAL
3. May 14, 2013 Board Item